

Date of Hearing: April 6, 2015

**ASSEMBLY COMMITTEE ON TRANSPORTATION**

Jim Frazier, Chair

AB 932 (Daly) – As Amended March 26, 2015

**SUBJECT:** Specialized license plates: professional sports

**SUMMARY:** Requires the State Department of Parks and Recreation (DPR) to apply to the Department of Motor Vehicles (DMV) to sponsor a specialized license plate program using professional sport team logos, as specified. Establishes the California State Parks Account (Account) and specifies that revenues from the Account be used by DPR to fund local park and recreation programs.

**EXISTING LAW:**

- 1) Allows any state agency to apply to DMV to sponsor a specialized license plate program.
- 2) Requires DMV to issue specialized license plates for that program if the agency complies with all statutory requirements.
- 3) Prohibits DMV from establishing a specialized license plate program for an agency until it has received not less than 7,500 paid applications for that agency's specialized license plates.
- 4) Requires the agency to collect and hold applications for the plates. Once the agency has received at least 7,500 applications, it must submit the applications, along with the necessary fees, to DMV.
- 5) Prohibits advance payment to DMV of its administrative costs associated with the issuance of a particular specialized license plate from constituting compliance with the 7,500 application threshold requirement.
- 6) Requires funds accruing to a sponsoring state agency from the sale of specialized license plates to be expended exclusively for projects and programs that promote that agency's official policy, mission, or work.
- 7) Allows specialized license plates to feature a distinctive design, decal, or distinctive message in a two-inch by three-inch space to the left of the plate's numerical sequence and a space not larger than 5/8-inch in height below the numerical series.

**FISCAL EFFECT:** Unknown

**COMMENTS:** Prior to 2007, any new specialized license plate required specific legislative authorization. That practice was held to be unconstitutional by the federal courts in that the

Legislature approved some of the plates and rejected others, while using no standardized or objective criteria for those decisions. In response to the court decision, AB 84 (Leslie), Chapter 454, Statutes of 2006, established the current specialized license plate program to provide a forum for government speech that promotes California's state policies. AB 84 excludes private organizations from seeking specialized license plates as a forum for private speech, and thus addresses the court's objection.

Plates now created and the revenue they generate must publicize or promote a state agency, or the official policy, mission, or work of a state agency. Furthermore, the process requires that at least 7,500 paid applications must be received by the state agency prior to notifying DMV. The 7,500-application threshold was previously put into statute for specialized license plates and was arrived at in an attempt to assure that DMV's startup costs would be fully covered by the portion of the registration fee surcharge that is directed to DMV and to avoid a proliferation of different types of plates, which can be troublesome from a law enforcement perspective.

Currently, 25 states and Washington D.C. have implemented specialized license plate programs in some form using professional sport team logos. Revenues from these programs have been used to fund programs such as, youth development, homelessness, and academic scholarships. Overall, these programs using professional team logos have been successful in raising revenue for various social programs.

The author introduced this bill in order to provide an additional revenue source for state park grants that help fund local park and recreation programs. A report by the Resources for the Future found that while parks have grown in popularity and demand, park spending has remained relatively flat and actually decreased during the past two economic recessions. Thus, the author asserts, "California is home to millions of sports fans. This bill provides an easy way for drivers to show their support for their favorite sports team while simultaneously helping park and recreational programs."

*Author amendments:* The author intends to amend the bill to remove several drafting errors pertaining to providing a two-year period to attain the required number of specialized license plates and the intent language to ensure the specialized license plate program is consistent with existing program requirements.

*Related legislation:* AB 270 (Nazarian), requires the State Department of Public Health to apply to the DMV to sponsor a diabetes awareness, education, and research specialized license plate program (program), as specified. AB 270 passed out of this committee on a 16-0 vote and is awaiting a hearing in the Assembly Appropriations Committee.

*Previous legislation:* Over the past 5 years, 13 bills have been introduced directing a state agency to sponsor a specialized license plate for a variety of causes. Of the 13 bills, eight passed the Legislature and were signed by the Governor. Most recently, in 2014, four bills were introduced and enacted to raise money for Salton Sea restoration [AB 1096 (Nestande), Chapter 353, Statutes of 2014], kidney disease research [AB 2450 (Logue), Chapter 359, Statutes of 2014], breast cancer awareness [AB 49 (Buchanan), Chapter 351, Statutes of 2014], and domestic violence prevention [AB 2321 (Gomez), Chapter 358, Statutes of 2014].

*Double referral:* This bill will be referred to the Assembly Committee on Arts, Entertainment, Sports, Tourism & Internet Media should it pass out of this committee.

**REGISTERED SUPPORT / OPPOSITION:**

**Support**

None on file

**Opposition**

None on file

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